

## Research Opportunity Notices: Summary of Questions and Answers

The Demand Response Research Center (DRRC) received a variety of questions regarding the Research Opportunity Notices (RONs) that were released on July 21<sup>st</sup>, 2005. Questions address substantive and administrative issues. A summary of all questions received through August 5<sup>th</sup>, 2005 and the DRRC response follows. Due to privacy issues, the names of the individuals and/or companies that posed the questions are not provided.

1	<p><b>Question:</b> How will the RFI submittals be evaluated? How will proposals be evaluated (based on what criteria and any particular weighting associated with each criteria??)</p> <p><b>Reply:</b> Paragraph #4 (Evaluation) of the RESPONSE PROCEDURES AND SUBMITTAL section on page 3 of the Research Opportunity Notice Process Description, identifies the criteria that will be used to review the August 15<sup>th</sup> submittals. Criteria include (not necessarily listed in order of importance):</p> <ol style="list-style-type: none"> <li>1. relevance to the goals and objectives stated in the RON</li> <li>2. individual and organizational team qualifications and strengths</li> <li>3. likelihood for success in Phase 2 (collective assessment of factors 1-3),</li> <li>4. realism of timeline and anticipated funding requirements, and</li> <li>5. other factors.</li> </ol> <p>The August 15<sup>th</sup> submittals determine which bidders move on to the full proposal process. Consequently, the review of the August 15<sup>th</sup> submittals is considered to be a screening process, not a detailed weighting and ranking process like that common to a competitive proposal.</p> <p>DRRC staff, with assistance from a Technical Advisory Committee, will establish detailed weighting and ranking criteria for each proposal. Those criteria will be provided to each bidder selected to proceed to the full proposal process.</p>
2	<p><b>Question:</b> Clarify reference to market connection. On page 4 of the DRRC RON presentation there is a reference to the scope of the proposals, “emphasizing a market connection”. Please clarify the meaning of “market connection”.</p> <p><b>Reply:</b> The reference to “emphasizing a market connection” is listed under the Scope segment on page 8 of the DRRC PowerPoint overview used during the web cast on July 21<sup>st</sup>. The phrase “emphasizing a market connection” describes the scope of the DRRC research effort, not the scope of the proposed RONs. This is a general term meant to emphasize that DRRC research is focused on near-term implementation that must consider current market conditions.</p>

3	<p><b>Question:</b> Clarify definition of DR relative to supply alternatives. To what extent can the definition of DR resources (reference on slide #3) include distributed generation (DG) resources (e.g. DG utilized to reduce load off the grid)?</p> <p><b>Reply:</b> Page 5 of the DRRC RON presentation on July 21<sup>st</sup> provides a broad definition of demand response that focuses primarily on customer action to reduce or shift load in response to high costs or threats to system reliability. This definition does not preclude consideration of DG or other supply-side alternative resources; however, our primary emphasis is on customer load modifications.</p>
4	<p><b>Question:</b> Clarify essential items to address in the RFI proposal. On page 4 of the DRRC RON-01 document, there are two lists of bullets prefaced with the phrases “should consider each of the following” and “must also address each of the following”, respectively. Should all of the listed bullets be interpreted as essential and be addressed in the responses? Or are some of the bullets optional and to be addressed through the proposed research?</p> <p><b>Reply:</b> The responses due on August 15<sup>th</sup> should address your proposed conceptual framework or approach, which should be capable of addressing the many dimensions of DR. A respondent can address any or all bullets as well as additional issues. The actual research projects selected as a result of this proposal process should more specifically address not only the bulleted items but also others that the research team considers relevant to demand response valuation.</p>
5	<p><b>Question:</b> Does the RFI response need to address Phase 2 specifics? Are any specifics to the ongoing research (phase2) work plan required in the August 15<sup>th</sup> RFI response?</p> <p><b>Reply:</b> The response due on August 15<sup>th</sup> should identify your approach to the full project, which is referenced as Phase 2 in the RONs. Your August 15<sup>th</sup> response should provide us with sufficient information to determine that you understand the problems and that you are proposing a relevant, achievable work plan. Reference the response to Question #1.</p>
6	<p><b>Question:</b> Clarify the September 16<sup>th</sup> work plan and budget. In the September 16<sup>th</sup> RFP response, what level of detail would you like to see regarding the Phase 2 Work Plan and budget?</p> <p><b>Reply:</b> More specific instructions regarding the full proposals due on September 16<sup>th</sup> will be provided to each of the bidders selected to proceed to the RFP stage. It would be premature to provide this information at this time.</p>

7	<p><b>Question:</b> Is there a format the RFI submittal should follow? Do you have an existing proposal template or guideline for how you would like to see the information presented in both the August 15<sup>th</sup> RFI and September 16<sup>th</sup> RFP responses that would make it easier for you to evaluate the submittals?</p>
	<p><b>Reply:</b> The requirement for submittal of the August 15<sup>th</sup> response are outlined in paragraph number 3 in the Research Opportunity Notice Process Description. There are no format templates or other guidelines specified for your response. Details for responding to the RFP will be provided to those selected to participate following results of the RFI.</p>
8	<p><b>Question:</b> Is budget detail required in the RFI submittal? Is any budget breakout required to be submitted in the August 15<sup>th</sup> RFI response?</p> <p><b>Reply:</b> There is no detailed budget breakout required in the August 15<sup>th</sup> submittal. However, you do need to identify your total budget for Phase 1 and whether that budget is equal to or less than the \$75k limit. It would also be helpful to the evaluation process if you identify how your budget breaks out among the proposed project team. Budget allocations by team member helps identify the actual skills and experience that will be brought to bear on the project deliverables.</p>
9	<p><b>Question:</b> Is budget detail required in the RFI submittal – further clarification. Is a guarantee not to exceed the budgeted amount (\$75k or less) sufficient or would you like to see a budget breakout between team members at this point?</p> <p><b>Reply:</b> See the response to Question #8.</p>
10	<p><b>Question:</b> Can the budget allocation in the RFI be changed in the RFP response? If a budget breakout is presented on August 15<sup>th</sup> does flexibility exist to reallocate this budget between team members in the RFP response (if selected to respond) due on September 16<sup>th</sup>?</p> <p><b>Reply:</b> Yes.</p>
11	<p><b>Question:</b> Clarify the Phase 1 work period and start date. Will the Phase 1 research commence at the conclusion of the RFI phase? Is the contract work period a fixed 90-day timeline from the finalization of the contract process on October 28<sup>th</sup>, or can the work period start at any time between the September 30<sup>th</sup> (award) and date the contract is done?</p> <p><b>Reply:</b> The phase 1 contracts will be awarded sometime around the end of September following conclusion of the RFP phase. The RFI is only to determine eligibility for the RFP in accordance with the RON Process Description posted to the DRRC Web site. The actual Phase 1 research will begin as soon as the contracts can be established following the RFP. Generally work cannot proceed on a project until the contract is in place. The specific start date will have to be determined by the DRRC contract manager.</p>

12	<p><b>Question:</b> How will Phase 1 contract payments be disbursed? How are project payments disbursed to contractors? Is there a fixed periodic payment/expense reimbursement schedule for the initial (\$75k or less) funds allocated for the initial Phase 1 exploratory research?</p>
	<p><b>Reply:</b> Generally, contracts are paid in arrears on a monthly basis, or on a task completion or milestone basis. Those selected to participate in the RFP may propose a reimbursement method in the full proposal, however, the actual reimbursement approach and schedule must be approved by the DRRC contract manager.</p>
13	<p><b>Question:</b> Clarify requirements for submitting a response to the RFI. I have recently become aware of the RON process and was not able to participate in the July 21<sup>st</sup> web cast. Am I still eligible to submit a proposal by August 15<sup>th</sup>?</p>
	<p><b>Reply:</b> You did not need to participate in the July 21<sup>st</sup> web cast to qualify to bid. You are eligible to submit a proposal on August 15<sup>th</sup>.</p>
14	<p><b>Question:</b> Can international firms participate in the RONs? Is it possible for an international firm, based outside the United States, to respond to one or both of the RONs?</p>
	<p><b>Reply:</b> It is possible for an international firm to respond to the RONs, however the work is oriented to California markets. It may be difficult for you to provide the background knowledge unless you team or partner with other participants.</p>
15	<p><b>Question:</b> Clarify the status of the July 21<sup>st</sup>, 2005 RONs. Are the RONs released on July 21<sup>st</sup> drafts or are they final documents that should guide the August 15<sup>th</sup> response.</p>
	<p><b>Reply:</b> The RONs released on July 21<sup>st</sup> are not drafts. They should guide your August 15<sup>th</sup> response.</p>
16	<p><b>Question:</b> Provide a source for the California Standard Practice Manual. Where can I obtain a copy of the California Standard Practice Manual?</p>
	<p><b>Reply:</b> A copy of the Standard Practice Manual has been posted to the research solicitation page of the DRRC web site [ <a href="http://www.drirc.lbl.gov">www.drirc.lbl.gov</a> ]</p>
17	<p><b>Question:</b> When will the Phase 2 research period begin? Will the Phase 2 research commence at the conclusion of the RFP phase?</p>
	<p><b>Reply:</b> The phase 2 research will begin sometime after completion of the Phase 1 effort, in spring 2006. If everything stays on schedule, Phase 2 could start as early as February 2006. See response to Question #11 and the RON Process Description.</p>

18	<p><b>Question:</b> Clarify the status of any Phase 3 research. Phase 1 is labeled "Exploratory Research" and Phase 2 is labeled "Research Work Plan." Will there be a Phase 3 in which the actual research work will be performed</p> <p><b>Reply:</b> The Phase 1 products will provide a more detailed overview of the conceptual framework for both the DR Value and Rate issues as well as more detailed workplans for Phase 2. The Phase 2 effort (see Question #2) will conduct the actual research effort. There has been no discussion yet of a Phase 3. The objective of this research is implementation. There are several Phase 3 possibilities but they are speculative and it would be premature to comment any further.</p>
19	<p><b>Question:</b> Can the DR Value and Rate RONS be combined in a single proposal? It appears that despite the fact the two RONS address different issues, there is considerable overlap of the topics. Is there an opportunity to address both RONS in a single proposal?</p> <p><b>Reply:</b> Both RONS are related in very direct ways. Rate forms and rate design can substantially affect the opportunity for and value of DR. Conversely, how you structure DR can often drive rate design requirements. However, the issues are also substantially different enough that we prefer and encourage bidders to address each RON separately.</p>
20	<p><b>Question:</b> How might the team composition impact the RFI evaluation? The team we are assembling will have an analytical and academic perspective. Is this a disadvantage in the selection process?</p> <p><b>Reply:</b> No. We encourage teaming that can bring together a diverse perspective and set of skills.</p>
21	<p><b>Question:</b> Who is the audience for the products from Phase 1 and Phase2? Who is the audience for the products from these RONS?</p> <p><b>Reply:</b> DRRC research is intended to be implementation oriented. The audience for the products from these RONS will include the CPUC, CEC, ISO, investor and municipal utilities and others involved with energy policy and demand response implementation.</p>
22	<p><b>Question:</b> Clarify the RFI evaluation process. Will the Phase 1 consultant(s) be selected on the basis of the RFI responses alone (that are due August 15<sup>th</sup>) or on the basis of the RFP responses?</p> <p><b>Reply:</b> The RFI response, due August 15<sup>th</sup>, will be used to identify eligible bidders for the RFP in accordance with the RON Process Description. The DRRC expects to award from 2-4 contracts for Phase 1, so more than 4 respondents to the RFI may actually be selected to submit full proposals in response to the RFP.</p> <p>The eventual Phase 1 contracts will then be awarded on the basis of the full proposal in response to the RFP.</p>

23	<p><b>Question:</b> If I am on a team responding to one of the RONS can I volunteer and be considered for participation on the Technical Advisory Group (TAG) for the other RON?</p>
	<p><b>Reply:</b> An individual can't be on the TAG for the RON they're responding to, but they can be on the TAG for the other RON.</p>
24	<p><b>Question:</b> Would an industry advisory panel as part of our RON submittal create a potential conflict of interest?</p>
	<p><b>Reply:</b> An industry advisory panel would not create a conflict of interest unless some of its members were also participating in either the DRRC Partner Planning Advisory Committee or on one of relevant Technical Advisory Committees (TAG). The DRRC will review any proposed industry advisory panels at the RFI stage and will attempt to resolve any conflicts with the bidder before the RFP (see Question #23).</p>
25	<p><b>Question:</b> Who owns the products that result from the Phase 1 and Phase 2 research?</p>
	<p><b>Reply:</b> This is a contractual question that must be resolved individually for each component of intellectual and other property, and can differ by business classification of the contractor (such as non-profit, small business, educational institution, etc). In general, pre-existing property brought into the project by the contractor remains under their ownership, while property developed as part of the contract (RON) would become property of the DRRC.</p>

Information on both RONS can be obtained by going to the DRRC website at [www.drcc.lbl.gov](http://www.drcc.lbl.gov). Proposals are due on August 15<sup>th</sup>, 2005. Individuals interested in participating on a technical advisory group (TAG) to assist with project evaluation should contact Mary Ann Piette or Roger Levy.

For more information contact: Mary Ann Piette, Research Director at [mapiette@lbl.com](mailto:mapiette@lbl.com) or Roger Levy, Program Development & Outreach Manager at [RogerL47@aol.com](mailto:RogerL47@aol.com).

